

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BECKLEY STATION)	
DISPOSAL SYSTEMS, INC. FOR AN ADJUSTMENT)	CASE NO.
OF RATES PURSUANT TO THE ALTERNATIVE RATE)	93-444
FILING PROCEDURE FOR SMALL UTILITIES)	

O R D E R

On November 29, 1993, Beckley Station Disposal System, Inc. ("Beckley Station") applied to increase its rates pursuant to the Alternative Rate Filing Procedure for Small Utilities. Beckley Station's proposed rates would produce an increase in its annual revenues of \$144,499, an increase of 90.78 percent over test-period normalized revenues from rates of \$159,180.

A limited financial review of Beckley Station's operations for the calendar year ending December 31, 1992 was performed by Commission Staff and a Staff Report was issued on May 3, 1994 recommending that its revenues be increased by \$118,180.

After receiving a copy of the Staff Report, five intervenors in the proceeding requested a hearing which was held on June 30, 1994. Ken Barr, President of the Beckley Woods Neighborhood Association, presented his comments concerning the rate application. Mr. Barr's comments raised the following issues: 1) whether the size of the utility plant justified a full-time employee with an annual salary of \$33,000 and 2) whether the Commission allowed interest on debt incurred to pay past operating expenses.

John W. Hampton, Senior Vice President of Beckley Station, testified in support of Beckley Station's rate application.

Mark Frost, Public Utility Financial Analyst of the Commission, testified and was available for cross-examination regarding the May 3, 1994 Commission Staff Report. Mr. Frost responded to Mr. Barr's comments by stating that the Commission Staff Report reflected a salary of \$25,425 rather than \$33,000 for Beckley Station's full-time employee and that other expenses were decreased accordingly to reflect the hiring of a full-time employee. He also indicated that interest expense was eliminated for debt that was incurred to pay for Beckley Station's past operating expenses.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the May 3, 1994 Staff Report are supported by the evidence of record, are reasonable and should be adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A are the fair, just, and reasonable rates for Beckley Station and will produce gross annual revenues of \$277,360. These revenues will allow Beckley Station to meet its operating expenses and provide for future equity growth.

IT IS THEREFORE ORDERED that:

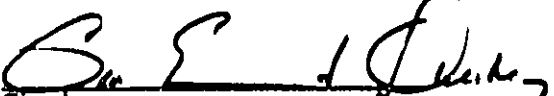
1. The rates proposed in the Commission Staff Report dated May 3, 1994 and which are contained in Appendix A are approved for

service rendered by Beckley Station on and after the date of this Order.

2. Within 30 days of the date of this Order, Beckley Station shall file with the Commission its revised tariff setting out the rates approved for service on and after the date of this Order.

Done at Frankfort, Kentucky, this 5th day of August, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-444 DATED AUGUST 5, 1994

The following rates and charges are prescribed for the customers in the area served by Beckley Station Disposal Systems, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Classification</u>	<u>Monthly Charge</u>
Single-Family Residential	\$24.05
Multi-Family Residential	18.05
All Other	24.05 Per Resident. Equivalent